

REMARKS

In response to the Office Action mailed August 27, 2002, the Applicants submit the below remarks and respectfully request reconsideration of the application, as amended, in light of these remarks. Claims 1-39 are rejected. Claims 1, 19 and 27 have been amended. No new matter has been added.

The Examiner rejected claims 1-4, 6, 7, 27 and 28 under 35 U.S.C. § 103(a) as being unpatentable over Stein, et al. (U.S. Patent No. 6,246,996, hereinafter "Stein"). Claims 5, 8-26 and 29-39 are rejected under 35 U.S.C. § 103(a) as being unpatentable over Stein in view of either Gopinathan, et al., (U.S. Patent No. 5,819,226, hereinafter "Gopinathan") or Anderson, et al., (U.S. Patent No. 6,094,643, hereinafter "Anderson"). As discussed below, the pending claims are patentable over the above references.

To establish a prima facie case of obviousness, three basic criteria must be met. First, there must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the reference or to combine reference teachings. Second, there must be a reasonable expectation of success. **Finally, the prior art reference (or references when combined) must teach or suggest all the claim limitations.** The teaching or suggestion to make the claimed combination and the reasonable expectation of success must both be found in the prior art, and not based on applicant's disclosure. *In re Vaeck*, 947 F.2d 488, 20 USPQ2d 1438 (Fed. Cir. 1991).

As argued below, the prior art references simply do not teach or suggest all the claim limitations of the independent claims of the present application. Furthermore, the prior art references include no suggestion to combine the referenced teachings.

Stein discloses a payment system for enabling a buyer to make a payment to a seller for the purchase of an information product deliverable over the Internet. When the seller sends the information product to the buyer over the Internet, the seller also makes a request over the Internet to a front-end portion of the payment system requesting payment from the buyer. The front-end portion of the payment system queries the buyer over the Internet whether to proceed with payment to the seller. If the buyer replies affirmatively, a charge to the buyer is processed off the Internet. If the buyer replies negatively, the buyer is not charged for the information product. The payment system informs the seller regarding the buyer's decision and pays the seller upon collection of the charge from the buyer.

Contrary to the presently claimed invention, Stein does not teach or suggest instructing a seller to send a purchased product to a buyer if no fraud is detected by an automated analysis of transaction information. Instead, in Stein, a seller sends a buyer a purchased product over the Internet before the system receives transaction information and performs any analysis of it. Once the buyer receives the product, the buyer can agree to pay for it. That is, Stein is directed to shifting the risk of non-payment to the seller.

Specifically, Stein states as follows on column 13, lines 10-28:

In the embodiment of the invention described above, there is provided a new model for Internet commerce in which an information seller carries the risk of non-payment. By shifting the risk of non-payment, the embodiment of the present invention avoids the necessity of guarantees of credit worthiness for sellers...

Buyers of information products often cannot make a purchase decision unless the product is in hand. Given that there is virtually no cost for manufacturing and distribution, unwanted information products need not be "returned"; it is less costly merely to delete the unwanted information product. Buyers of information products pay only for the information that they can use, thereby avoiding the frustration of returning unwanted goods and asking for a refund as they would in a conventional marketplace.

Thus, Stein does not teach or suggest at least the features of the present invention that are included in the following language of claim 1:

performing automated analysis of transaction information including the sale information and the payment information to detect whether the transaction information indicates fraud;

if the automated analysis does not detect fraud, instructing the seller to send the product to the buyer; and

if the automated analysis detects fraud, communicating an enhanced transaction information to a human for manual fraud analysis.

Similar language is also contained in claims 19 and 27. Accordingly, claims 1, 19 and 27, and their corresponding dependent claims are patentable over Stein.

Gopinathan and Anderson do not help Stein as each of these references lacks at least the features of the presently claimed invention that are missing from Stein. Thus, the references cited by the Examiner, taken alone or in combination, do not teach or suggest the present invention as claimed in claims 1, 19 and 27. Accordingly, Applicants respectfully submit that Applicants' invention as claimed in independent claims 1, 19 and 27 and corresponding dependent claims 2-18, 20-26 and 28-39 is not rendered obvious by the above references, and respectfully request the withdrawal of the rejection under 35 U.S.C. § 103(a). Applicants furthermore submit that all pending claims are in condition for allowance, which is earnestly solicited.

If the Examiner determines that the prompt allowance of these claims could be facilitated by a telephone conference, the Examiner is invited to contact Marina Portnova at (408) 720-8300.

Deposit Account Authorization

Authorization is hereby given to charge our Deposit Account No. 02-2666 for any

charges that may be due. Furthermore, if an extension is required, then Applicant hereby requests such extension.

Respectfully submitted,

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MARKED UP VERSION OF THE CLAIMS

1. (Amended) A method for detecting fraud when facilitating a payment transaction over a global wide area network, the method comprising:

- receiving [a] sale information pertaining to a purchase of a product from a seller;
- receiving [a] payment information from a buyer;
- performing automated analysis of [a] transaction information including the sale information and the payment information to detect whether the transaction information indicates fraud;
- if the automated analysis does not detect fraud, instructing the seller to send the product to the buyer; and
- if the automated analysis detects fraud, communicating an enhanced transaction information to a human for manual fraud analysis.

19. (Amended) A system comprising:

- a first computer supporting communications over a wide area network by a buyer;
- a second computer supporting communications over the wide are network by a seller;
- a third computer supporting communications over the wide are network and executing software that facilitates a payment transaction between the buyer and the seller such that the third computer
 - analyzes the payment transaction for fraud by applying a plurality of rules and incrementing a score for the payment transaction for each of the plurality of rules that is violated,
 - if the score does not exceed a predefined threshold, instructs the seller to send a purchased product to the buyer, and
 - if the score exceeds a predefined threshold, communicates an information about the payment transaction to a human fraud investigator.

27. (Amended) A machine readable medium having stored thereon instructions which when executed by a processor cause the machine to perform operations comprising:

receiving [a] sale information pertaining to a purchase of a product from a seller;

receiving [a] payment information from a buyer;

performing automated analysis of [a] transaction information including the sale information and the payment information to detect whether the transaction information indicates fraud;

if the automated analysis does not detect fraud, instructing the seller to send the product to the buyer; and

if the automated analysis detects fraud, communicating an enhanced transaction information to a human for manual fraud analysis.